

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

University of Southern California)	Opposition No.: 125,615
)	
Opposer,)	Serial No.: 75/358,031
)	
vs.)	Mark: "SC" (Stylized)
)	
University of South Carolina,)	
)	
Applicant.)	
)	

APPLICANT'S RESPONSE TO OPPOSER'S MOTION TO DISMISS

The applicant, University of South Carolina ("South Carolina"), hereby submits its response to the Motion to Dismiss filed by the Opposer, University of Southern California ("California").

INTRODUCTION

In its denial of California's most recent motion for summary judgment, the Board found that there were genuine issues of material fact as to: "(1) the scope of protection to be accorded to opposer based upon its common law rights in SC marks; (2) the similarities between the parties' respective marks and specifically, the commercial impression of the parties' respective interlocking SC marks, and (3) the priority of the parties' actual stylizations of their respective marks." (See April 29, 2004 Order, pp. 6-7). Footnote 7 of this Order, instructed that, if California amended its notice of opposition to add U.S. Reg. No. 2,683,137, then South Carolina must file a counterclaim to raise the issue of priority. (Id.). Soon after, California amended its notice of opposition to add U.S. Reg. 2,683,137 and South Carolina, maintaining its

assertion of superior priority, filed the counterclaim, which California now attempts to dismiss as a matter of law.

The basis for California's argument is the application of the *Morehouse* defense, which is an equitable affirmative defense available in limited situations where the applicant already owns a registration which is substantially identical to the mark being challenged.¹ California's motion cannot meet the high standard applicable to Fed. R. Civ. P. Rule 12 for failure to state a claim and should be denied because (1) the channels of trade in the SC Word Mark registration are not identical to those in the SC Interlock registration, (2) the goods in the SC Word Mark registration are not identical to those in the SC Interlock registration, and (3) California cannot establish as a matter of law that equitable principles require the dismissal of South Carolina's counterclaim.

ARGUMENT AND AUTHORITIES

A. *Morehouse* is Inapplicable to the Present Case because California's Two Cited Registrations are not Identical.

1. The SC Word Mark Contains Channels of Trade Restrictions Unlike the SC Interlock.

In its brief, California indicates that its registrations are sufficiently identical to allow it to invoke the doctrine set forth in the case of *Morehouse Manufacturing Corporation v. Strickland & Co.*, 407 F.2d 881, 160 USPQ 715 (CCPA 1969). However, in light of the language contained in California's actual registrations, it is obvious that the two registrations contain significant differences. As an initial matter, the channels of trade in California's two registrations are *entirely* different. California's channels of trade contained in its first registration of the SC Word Mark (U.S. Reg. No. 1,844,953 attached hereto as **Exhibit A**) are

¹ Specifically, the first registration is for U.S. Reg. No. 1,844,953 (the "SC Word Mark") and the registration which is the subject of the counterclaims is U.S. Reg. No. 2,683,137 (the "SC Interlock").

expressly limited to either "university authorized channels of trade" or "university controlled outlets." However, California's second registration for the SC Interlock Mark, which is currently being contested by South Carolina, (U.S. Reg. No. 2,683,137, attached hereto as Exhibit B), contains no limitations on channels of trade whatsoever. This limitation has an enormous impact on the potential damage to South Carolina.²

The *Morehouse* doctrine can only be utilized as a defense when a party "cannot suffer legal damage from the additional registration, over and above any damage it may suffer from the existing registration." *Morehouse*, 407 F.2d at 884. South Carolina sells absolutely no goods bearing its stylized "SC" mark to outlets which are *controlled* by the University of Southern California. As such, in the present case, South Carolina suffered little to no damage from California's initial registration of the "SC" Word Mark. However, California's second registration of the "SC" mark, which South Carolina now seeks to cancel, has expanded California's rights considerably since the limitations on channels of trade no longer exist.

Since California's second registration for the SC Interlock Mark clearly represents a significant expansion of California's rights in the letters "SC", the *Morehouse* doctrine is inapplicable. California cannot honestly contend that the differences in its registrations based upon the channels of trade are only "trifling." *Morehouse*, 407 F.2d at 884. As such, the *Morehouse* doctrine should not be applied in this case. See e.g. *Care Corporation v. Nursecare*

² Reflecting the significance of the restriction on trade channels, in a prior order issued in this case, it was stated by this Board that:

"In this regard, we also note that each class of goods in opposer's registration is restricted to sale through "university authorized channels of trade" or "sold at university-controlled outlets." Such restrictions tend to suggest that prospective purchasers of opposer [California]'s SC-branded goods will likely know they are goods of the University of Southern California or "Southern Cal." July 31, 2003 Order of Gerard Rogers p. 24. See also *Golden Bear International v. Slater*, 1996 TTAB LEXIS 509, *6 (TTAB 1996) ("The limitations or restrictions on Golden Bear's goods and trade channels are already incorporated directly into the identification of goods, and their effect on the issue of likelihood of confusion can and must be considered and determined under the main clause of Section 2(d), in the context of normal *ex parte* or inter parties proceedings").

International, 1982 TTAB LEXIS 200; 216 U.S.P.Q. (BNA) 993 (T.T.A.B. 1982) (where party sought to use *Morehouse* doctrine based upon prior registration, the Board stated that “Applicant has also failed to established [sic] by affidavits or other evidence that the services recited in its registrations, which on their face appear to be distinctly different from the services set forth in its application, encompass or are substantially similar those in its application. There thus exist genuine issues of material fact concerning the status and relatedness of applicant’s registrations, thereby precluding the entry of summary judgment.”). In light of the variations in the channels of trade encompassed within California’s two registrations, the *Morehouse* doctrine cannot be applied in this case.

2. The Goods listed in the SC Interlock registration are significantly More Expansive than those in the SC Word Mark registration.

In addition to the foregoing differences between the channels of trade identified in California’s registrations, California’s second registration adds a substantial number of goods and classes which, for whatever reason, were not included in its initial registration. By South Carolina’s count, California’s second registration adds at least 6 new classes. (**Exhibits A and B**). Specifically, California’s Registration No. 2,683,137 adds the following classes which were not included in its initial registration of the SC Word Mark: International classes 12, 16, 21, 28, 35, and 41. Furthermore, the SC Interlock registration also adds the following goods which were not specifically enumerated in its California’s initial registration of the SC Word Mark:

- Metal frames for metal license plates; and metallic car emblems.
- Decals; folders; 3-ring binders; personal organizers; calendars; pencils; pens; erasers; pencil sharpeners, pen or pencil holders; desktop business card holders; note paper; wrapping paper; paper napkins; and paper tablecloths.
- Umbrellas; shoe bags for travel; duffel bags; wallets; business card cases; luggage tags; animal leashes; and dog collars.

- Porcelain and glass mugs; cups; drinking glasses; shot glasses; commemorative and decorative plates; coasters; paper plates; thermal insulated containers for food or beverage; portable beverage coolers; plastic sports bottles sold empty; and pet bowls.
- Sporting goods, namely, baseballs, footballs, golf balls, golf tees, golf bags, putters, golf club covers, racket covers, flying discs, and foam fingers; arcade-type electronic video games; playthings, namely, plush toys, and ride-on toys; playing cards.
- On-line retail store services featuring men's, women's and children's clothing, footwear, hats, accessories, sporting goods, gifts and novelty items.
- Entertainment services, namely, conducting athletic competitions; organizing intercollegiate, community and national sporting and cultural events; sports instruction; and providing musical, band, dance, theatrical and dramatic performances.
- Polo shirts, warm-up suits, jackets, rain ponchos, sweaters, jerseys, tank tops, shorts, sport shirts, baseball shirts, basketball jerseys, golf sweaters, night shirts, boxer shorts, socks, hats, caps, sport caps, visor caps, beanies and ties

Compare Exhibits A and B.

It has been specifically held by the Board that for the *Morehouse* doctrine to apply, the goods identified in a prior registration must be nearly identical. For example, in the case of *TBC Corporation v. Grand Prix Ltd.*, 1989 TTAB LEXIS 22, 12 U.S.P.Q.2d (BNA) 1311 (T.T.A.B. 1989), where an opposer relied on five previous uncontested registrations in an unsuccessful attempt to defeat a counterclaim seeking cancellation, the Board stated:

[O]pposer argues that applicant's counterclaim is without merit and will not withstand a motion to dismiss. Opposer asserts that applicant cannot be damaged by the existence of the three challenged registrations issued to opposer for its GRAND PRIX mark, in light of the other five, unchallenged, registrations for that mark which will continue to exist. *Morehouse Manufacturing Corporation v. Strickland & Co.*, 407 F.2d 881, 160 USPQ 715 (CCPA 1969). . .

The [Morehouse] defense is proper where the existing registration or registrations relied upon are for the same or substantially identical mark and the same or substantially identical goods as the challenged application or registration. [citations omitted]. The prior registration defense will apply where the mark and goods in the pre-existing registration are substantially identical to the mark and goods which are the subject of the involved application. [citations omitted]. In the instant case, it is clear that the goods in the five registrations opposer relies upon for its prior registration defense are related to and within the natural scope of

expansion of a producer of the goods listed in the three registrations applicant. Therefore, opposer's ownership of the five other registrations cannot serve to preclude applicant from contesting opposer's right to maintain the three registrations applicant seeks to cancel.

TBC Corporation, 1989 TTAB LEXIS 22 at *8. Because the goods and classes in California's two registrations are not identical (or even substantially similar), the *Morehouse* doctrine is inapplicable in this case.

B. In Light of the Equities of the Case, as a Matter of Law, South Carolina's Counterclaim for Cancellation of the SC Interlock Should not be Dismissed.

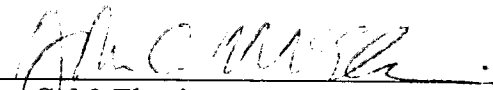
It is often repeated that the *Morehouse* defense "is an equitable defense in the nature of laches or acquiescence." *TBC Corporation*, 1989 TTAB LEXIS 22 at *5-6. Moreover, the Federal Circuit has stated that "equitable principals are available when justice requires, unless the issues has been explicitly treated and legislatively resolved in the legislation." *O-M Bread, Inc. v. United States Olympic Committee*, 65 F.3d 933, 938 (Fed. Cir. 1995). In this case, California has not established, as a matter of law, that South Carolina engaged in any acts in which it knowingly delayed challenging the SC Word Mark registration. In fact, as alleged in its counterclaim, South Carolina, relying upon its superior priority right, adopted the SC Baseball Logo (Serial No. 75/358,031) and does not believe that this mark is confusingly similar to the incontestable SC Word Mark. (Counterclaim, ¶¶ 31-33). As a result, based upon the pleadings in this case, South Carolina acted in a manner that does not rise to level of laches, acquiescence or any other equitable waiver of its right of priority over the SC Interlock registration.

CONCLUSION

The differences in California's prior and subsequent registration of the letters "SC" are significant. The substantiality of these variations should result in a finding that the

Morehouse doctrine cannot be applied under these facts and that California's Motion to Dismiss should, therefore, be denied.

NELSON MULLINS RILEY & SCARBOROUGH, L.L.P.

By: 
John C. McElwaine
Matthew D. Patterson
Liberty Building, Suite 600
151 Meeting Street
Charleston, SC 29401
Tel. (843) 853-5200
Fax (843) 720-4324
e-mail: jcm@nmrs.com

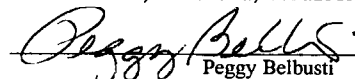
Attorneys for the University of South Carolina

Charleston, South Carolina

2/18, 2005

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Peggy Belbusti

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Exhibit A



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Typed Drawing**Word Mark** SC

Goods and Services IC 006. US 013 025 028 050. G & S: keyrings of non-precious metals; decorative emblems or plates of non-precious metal, for attachment to autos; art work statuary of non-precious metals, all goods being offered and sold to persons through university authorized channels of trade. FIRST USE: 19260000. FIRST USE IN COMMERCE: 19780000

IC 018. US 003 041. G & S: umbrellas, hand luggage, tote bags, luggage; namely, tote bags, hand luggage, garment bags for travel, and small traveling bags for overnight trips, fanny packs, toiletry bags sold empty, briefcases, back packs, all goods being offered and sold to persons through university authorized channels of trade. FIRST USE: 19260000. FIRST USE IN COMMERCE: 19870000

IC 024. US 042 050. G & S: towels, blankets, cloth pennants, and cloth flags, all goods being offered and sold to persons through university authorized channels of trade. FIRST USE: 19260000. FIRST USE IN COMMERCE: 19870000

IC 025. US 039. G & S: sweatshirts and T-shirts, all goods being offered and sold at university-controlled outlets. FIRST USE: 19260000. FIRST USE IN COMMERCE: 19870000

Mark Drawing Code (1) TYPED DRAWING

Serial Number 74094681

Filing Date September 5, 1990

Current Filing Basis 1A

Original Filing Basis 1B

Published for Opposition August 18, 1992

Registration Number 1844953

Registration Date July 12, 1994

Owner (REGISTRANT) University of Southern California CORPORATION CALIFORNIA
University Park Los Angeles CALIFORNIA 90089

Attorney of Record SCOTT A EDELMAN

Type of Mark TRADEMARK

Register PRINCIPAL

Affidavit Text SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20040916.

Renewal 1ST RENEWAL 20040916

Live/Dead Indicator LIVE

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Exhibit B



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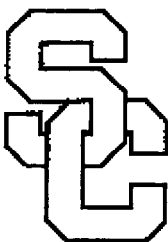
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S C

**Goods and
Services**

IC 012. US 019 021 023 031 035 044. G & S: Metal frames for metal license plates; and metallic car emblems. FIRST USE: 19930000. FIRST USE IN COMMERCE: 19940000

IC 016. US 002 005 022 023 029 037 038 050. G & S: Decals; folders; 3-ring binders; personal organizers; calendars; pencils; pens; erasers; pencil sharpeners, pen or pencil holders; desktop business card holders; note paper; wrapping paper; paper napkins; and paper tablecloths. FIRST USE: 19930000. FIRST USE IN COMMERCE: 19940000

IC 018. US 001 002 003 022 041. G & S: Umbrellas; luggage, namely, tote bags, hand luggage, garment bags and overnight bags; shoe bags for travel; fanny packs; toiletry bags sold empty; briefcases; backpacks; duffel bags; wallets; business card cases; luggage tags; animal leashes; and dog collars. FIRST USE: 19930000. FIRST USE IN COMMERCE: 19940000

IC 021. US 002 013 023 029 030 033 040 050. G & S: Porcelain and glass mugs; cups; drinking glasses; shot glasses; commemorative and decorative plates; coasters; paper plates; thermal insulated containers for food or beverage; portable beverage coolers; plastic sports bottles sold empty; and pet bowls. FIRST USE: 19930000.

FIRST USE IN COMMERCE: 19940000

IC 024. US 042 050. G & S: Towels; stadium blankets; cloth pennants; and cloth flags. FIRST USE: 19930000. FIRST USE IN COMMERCE: 19940000

IC 028. US 022 023 038 050. G & S: Sporting goods, namely, baseballs, footballs, golf balls, golf tees, golf bags, putters, golf club covers, racket covers, flying discs, and foam fingers; arcade-type electronic video games; playthings, namely, plush toys, and ride-on toys; playing cards. FIRST USE: 19930000. FIRST USE IN COMMERCE: 19940000

IC 035. US 100 101 102. G & S: On-line retail store services featuring men's, women's and children's clothing, footwear, hats, accessories, sporting goods, gifts and novelty items. FIRST USE: 19930000. FIRST USE IN COMMERCE: 19940000

IC 041. US 100 101 107. G & S: Entertainment services, namely, conducting athletic competitions; organizing intercollegiate, community and national sporting and cultural events; sports instruction; and providing musical, band, dance, theatrical and dramatic performances. FIRST USE: 19930000. FIRST USE IN COMMERCE: 19940000

IC 025. US 022 039. G & S: Clothing, namely, t-shirts, sweatshirts, polo shirts, warm-up suits, jackets, rain ponchos, sweaters, jerseys, tank tops, shorts, sport shirts, baseball shirts, basketball jerseys, golf sweaters, night shirts, boxer shorts, socks, hats, caps, sport caps, visor caps, beanies and ties. FIRST USE: 19930000. FIRST USE IN COMMERCE: 19940000

**Mark Drawing
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(5) WORDS, LETTERS, AND/OR NUMBERS IN STYLIZED FORM

Serial Number 76374729

Filing Date February 22, 2002

**Current Filing
Basis** 1A

**Original Filing
Basis** 1A

**Published for
Opposition** November 12, 2002

**Registration
Number** 2683137

**Registration
Date** February 4, 2003

Owner (REGISTRANT) University of Southern California NON-PROFIT CORPORATION
CALIFORNIA University Park ADM 352 Los Angeles CALIFORNIA 900895013

**Prior
Registrations** 1844953

Type of Mark TRADEMARK. SERVICE MARK

Register PRINCIPAL

**Live/Dead
Indicator** LIVE

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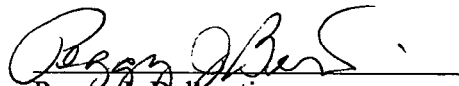
I, the undersigned Administrative Assistant of the law offices of Nelson Mullins Riley & Scarborough, L.L.P., attorneys for Applicant do hereby certify that I have served all counsel in this action with a copy of the pleading(s) hereinbelow specified by mailing a copy of the same by United States Postal Service First Class Mail, with proper postage thereon, to the following address(es):

Pleadings:

APPLICANT'S RESPONSE TO OPPOSER'S MOTION TO DISMISS

Counsel Served:

Peter F. Weinberg
Gibson, Dunn & Crutcher LLP
1801 California Street, Suite 4100
Denver, CO 80202


Peggy J. Belbusti
Administrative Assistant

February 18, 2005

Nelson Mullins

Nelson Mullins Riley & Scarborough LLP

Attorneys and Counselors at Law

151 Meeting Street / Sixth Floor / Charleston, South Carolina 29401-2239

Tel: 843.853.5200 Fax: 843.722.8700

www.nelsonmullins.com

TTAB

John C. McElwaine

843.720.4302

john.mcelwaine@nelsonmullins.com

February 18, 2005

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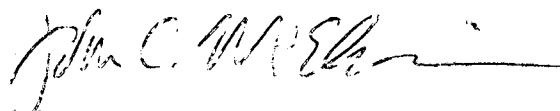
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Opposition No. 125,615

Dear Assistant Commissioner:

Please find enclosed **Applicant's Response to Opposer's Motion to Dismiss**. By copy of this letter we are serving the opposing counsel with these pleadings.

Thank you for your assistance in this matter.


Very truly yours,



John C. McElwaine

Enclosures

cc: Peter F. Weinberg, Esquire (w/encl.)



02/23/2005

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